

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF THE UNION LIGHT, )  
HEAT AND POWER COMPANY FOR AN ORDER )  
AUTHORIZING THE ISSUE OF \$10,000,000 ) CASE NO. 8387  
PRINCIPAL AMOUNT OF FIRST MORTGAGE )  
BONDS )

O R D E R

On November 20, 1981, the Union Light, Heat and Power Company ("Union Light") filed its duly verified application seeking authority to issue and sell \$10,000,000 principal amount of its First Mortgage Bonds, Series Due 1991 having an average life of 8-1/2 years, through a private placement transaction arranged by Morgan Stanley & Co. Incorporated. The net proceeds from the sale of such securities will be used by Union Light to repay a portion of its short-term indebtedness incurred in connection with its construction program, the retirement at maturity of \$1,400,000 principal amount of its First Mortgage Bonds, 3-3/8 percent Series Due October 1, 1981, and for other lawful corporate purposes.

Upon consideration of the application and being advised, the Commission finds that the issuance and sale by Union Light of \$10,000,000 of First Mortgage Bonds, Series Due 1991, is for a lawful object within the corporate purposes of the utility, is necessary and appropriate for and consistent with the proper performance by the utility of its service to the public and will

not impair its ability to perform that service, and is reasonably necessary and appropriate for such purposes.

IT IS THEREFORE ORDERED that The Union Light, Heat and Power Company is authorized to issue and sell \$10,000,000 principal amount of its First Mortgage Bonds, Series Due 1991 to be issued under and secured by the First Mortgage dated as of February 1, 1949, between Union Light and Irving Trust Company, Trustee, as previously amended and supplemented and to be supplemented by a Ninth Supplemental Indenture, expected to be dated as of December 15, 1981, to be sold to the purchaser at a price of 100 percent of the principal amount, and bearing interest at the rate of 15-3/8 percent per annum.

IT IS FURTHER ORDERED that Union Light is authorized to charge expenses to be incurred in connection with this issue to the proper deferred account and to amortize such amount over the life of the First Mortgage Bonds, Series Due 1991 in equal amounts to current income.

IT IS FURTHER ORDERED that the proceeds from the sale of the securities authorized herein shall be used only for the lawful purposes as set out in the application.

Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 8th day of December,  
1981.

PUBLIC SERVICE COMMISSION

Marlin M. Voth  
Chairman

Katharine Randall  
Vice Chairman

Jim Carrigan  
Commissioner

ATTEST:

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Secretary